

Message Text

UNCLASSIFIED

PAGE 01 HELSIN 00322 01 OF 02 151503Z
ACTION EUR-12

INFO OCT-01 ISO-00 SS-15 NSC-05 NSCE-00 SSO-00 /033 W
-----151520Z 049008 /47

R 151345Z FEB 77
FM AMEMBASSY HELSINKI
TO SECSTATE WASHDC 0995

UNCLAS SECSTION 1 OF 2 HELSINKI 0322

DEPT PASS VICE PRESIDENT MONDALE

E.O. 11652: N/A
TAGS: PFOR, FI
SUBJECT: FINNISH ICEBREAKERS

1. FOLLOWING IS SUBSTANCE OF LETTER TO YOU DATED
FEBRUARY 10, 1977:

2. AT YOUR SUGGESTION LET ME REITERATE SOME OF THE FACTS
REGARDING THE ICEBREAKER STORY. UP UNTIL THIS YEAR THE
SUBJECT HAS BEEN SOMEWHAT DIFFICULT TO ESPOUSE. HOWEVER,
WITH THE KLONDIKE TREATMENT THE WEATHERMAN HAS GIVEN THE
UNITED STATES THIS WINTER THE SUBJECT OF ICEBREAKERS IS
MORE GERMANE.

3. AS YOU WELL KNOW, DUE TO INSURANCE RESTRICTIONS
GREAT LAKES BARGES ARE UNINSURED DURING THE THREE MOST
DIFFICULT WEATHER MONTHS. THEY ARE INCAPABLE OF TAKING
MUCH ICE PRESSURE. FOR THAT REASON THE LAKES ARE
AUTOMATICALLY LOCKED UP IN DECEMBER, JANUARY AND FEBRUARY.
ACCORDING TO THE CORPS OF ENGINEERS THIS CAUSES 60,000
JOBS TO TEMPORARILY TERMINATE. THESE ARE JOBS
DIRECTLY AFFECTED - THERE ARE MANY THOUSANDS THAT
ARE AFFECTED INDIRECTLY. IF YOU CONSIDER 60,000 JOBS
AT \$30 TO \$35 A DAY, THE DIRECT LOSS IN WAGES ALONE
IS OVER \$2 MILLION A DAY, OR \$10 MILLION A WEEK. THE
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 HELSIN 00322 01 OF 02 151503Z

UNEMPLOYED WORKERS ENJOY A THREE MONTH HOLIDAY ON
UNEMPLOYMENT RELIEF. AS THEY RECEIVE \$100 A WEEK,
A CONSERVATIVE ESTIMATE, THE COST OF UNEMPLOYMENT
INSURANCE WOULD BE \$6 MILLION A WEEK, TOTALING \$16
MILLION IN LOST WAGES AND UNEMPLOYMENT COSTS. (THIS
DOESN'T ACCOUNT FOR ADDITIONAL MILLIONS IN LOSSES TO
COMPANIES AND STOCKHOLDERS.) FOR THREE MONTHS THIS

WOULD AMOUNT TO \$192 MILLION; MORE THAT ENOUGH TO PAY
FOR NEEDED ICEBREAKERS IN ONE YEAR.

4. I MUST BELIEVE, MR. VICE PRESIDENT, THAT OPENING
UP THE LAKES WOULD HAVE A CHAIN REACTION AFFECTING
UPGRADING OF BARGES AND THE LAKE SHIPBUILDING INDUSTRY,
GENERALLY. IT IS INCOMPREHENSIBLE TO ME THAT THIS
HORSE AND BUGGY ATTITUDE HAS GONE ON FOR MANY,MANY
YEARS. CURRENTLY ONLY THE 35-YEAR-OLD MACKINAW HAS
ANY MAJOR CAPABILITIES AND IT IS BROKEN DOWN.

5. I CAN ONLY SURMISE, BUT I BELIEVE THIS INTOLERABLE
SITUATION HAS BEEN ALLOWED TO CONTINUE, MOSTLY, BECAUSE
BOTH INDUSTRY AND GOVERNMENT HAVE APATHETICALLY BELIEVED
IT WAS "AN ACT OF GOD" AND NOTHING COULD REALLY BE
DONE ABOUT IT. TYPICAL WAS THE COMMENT YOU TOLD ME
YOU RECEIVED FROM A COAST GUARDSMAN AT THE INAUGURAL,
WHEN IN ANSWER TO YOUR QUESTION ABOUT FINNISH ICE-
BREAKERS ANSWERING THE GREAT LAKES ICE PROBLEM, HE
REPLIED IN THE NEGATIVE.

6. MR. VICE PRESIDENT, FINLAND HAS FORGOTTEN MORE
ABOUT ICE THAN THE U.S. COAST GUARD WILL EVER KNOW.
FOUR FEET OF ICE ON THE GULF OF BOTHNIA IS STANDARD.
FINLAND HAS NO CHOICE; SHE MUST KEEP TRAFFIC MOVING
ON THE SEAS OR SHE CEASES TO EXIST.

7. I VISITED WITH SECRETARY BROCK ADAMS UNDER WHOSE
DIRECTION THE COAST GUARD COMES AND GAVE HIM SOME OF
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 HELSIN 00322 01 OF 02 151503Z

THESE SAME FACTS. WE DISCUSSED THE TWO ICEBREAKERS
THE COAST GUARD AND LOCKHEED ATTEMPTED TO MAKE IN
SEATTLE. HE WAS WELL AWARE THAT THEY ARE TO DATE A
FIASCO. THE FIRST IS STILL NOT OPERATIONAL AND THE
SECOND, ACCORDING TO THE GENERAL ACCOUNTING OFFICE,
IS \$20 MILLION OVERRUN IN COST.

8. THE FINNS WILL GIVE A HARD, FAST PRICE AND A CERTAIN
DATE OF DELIVERY. THEY WILL USE ANY US-MADE EQUIPMENT
WE CAN MAKE TO FIT THE SHIP.

9. ALMOST ALL ICEBREAKERS USED IN THE WORLD TODAY ARE
MADE BY THE FINNS. WITH THE EXCEPTION OF A NUCLEAR
DRIVEN ICEBREAKER OR TWO, THE SOVIETS HAVE BOUGHT 21 SHIPS
FROM FINLAND AND RECENTLY ORDERED FIVE RIVER ICEBREAKERS.

10. MY MAJOR CONCERN, SIR, IS THE ECONOMIC STRENGTH
OF FINLAND. THIS COUNTRY IS A KEYSTONE STATE IN
SCANDINAVIA WITH 800 MILES OF BORDER WITH THE SOVIET

UNION. WE CANNOT HELP HER POLITICALLY OR MILITARILY. WE CAN NOW HELP HER ECONOMICALLY. THE PURCHASE OF THESE ICEBREAKERS WOULD BE A MAJOR PSYCHOLOGICAL ACHIEVEMENT. THE COMMUNIST PRESS IS NEEDLING FINLAND AND THE UNITED STATES CONSTANTLY ON WHAT HAS THE USA DONE RECENTLY FOR FINLAND. THERE IS CONSTANT PRESSURE FOR THE SALE OF RUSSIA-MADE AIRPLANES TO FINNAIR, POINTING OUT THAT IT WOULD BE THE RIGHT THING TO DO IN VIEW OF SOVIET ICEBREAKER PURCHASES. FINNAIR HAS OUTFITTED ITS ENTIRE FLEET WITH DOUGLAS. AS A RESULT HER BALANCE OF PAYMENTS IS HIGHLY IN AMERICA'S FAVOR. I AM PROUD THAT IT IS OFFICIAL AMERICAN-FINNISH FOREIGN POLICY TO DATE, THAT THE STATE DEPARTMENT URGES THESE ACQUISITIONS.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 HELSIN 00322 02 OF 02 151444Z
ACTION EUR-12

INFO OCT-01 ISO-00 SS-15 NSC-05 NSCE-00 SSO-00 /033 W
-----151515Z 048763 /47
R 151345Z FEB 77
FM AMEMBASSY HELSINKI
TO SECSTATE WASHDC 0996

UNCLAS SECTION 2 OF 2 HELSINKI 0322

11. I AM SURE I NEED NOT REMIND YOU OF THE QUALITY OF THE FINNISH PEOPLE NOR OF THEIR CONTRIBUTIONS TO THE PART OF THE WORLD WHICH IS VERY DEAR TO YOU. I TRUTHFULLY BELIEVE THIS MATTER IS IN THE ABSOLUTE BEST INTEREST OF THE UNITED STATES AS WE TRULY NEED THE EQUIPMENT. IN VIEW OF OUR COMMITMENT TO SHIP 6 TO 8 MILLION TONS OF GRAIN TO THE SOVIET UNION AS WELL AS OTHER MAJOR COMMITMENTS TO EASTERN EUROPEAN COUNTRIES, HOW MUCH WISER IT WOULD BE TO LOAD SHIPS IN DULUTH OR MINNEAPOLIS RATHER THAN TRANSSHIP IT TO EASTERN PORTS BY TRUCK OR TRAIN AND THEN RELOAD IT. OUR ENERGY REQUIREMENTS ARE TOWARD CONSIDERABLE ACCELERATION IN THE USE OF COAL.

12. IT IS JUST PLAIN HORSE SENSE THAT IMPORTANT FOURTH COAST OF OURS IS TOO IMPORTANT TO BE PUT INTO MOTHBALLS THREE MONTHS A YEAR. I TRULY BELIEVE THIS COULD BE BROUGHT ABOUT WITH YOUR OBVIOUS KNOWLEDGE

AND INTEREST AND SUPPORT.

13. NOTHING WOULD PLEASE ME MORE UPON YOUR ANTICIPATED
VISIT TO FINLAND THAT YOU MIGHT PARTICIPATE IN OPENING
CEREMONIES FOR CREATION OF AN INSURANCE POLICY IN THE
FORM OF FINNISH ICEBREAKERS TO AVOID THE CRISIS IN THE
FUTURE SUCH AS WE HAVE EXPERIENCED THIS PAST WINTER
IN THE GREAT LAKES. MOST RESPECTFULLY, MARK E. AUSTAD
AUSTAD
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 HELSIN 00322 02 OF 02 151444Z

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT PROCUREMENT, DIPLOMATIC COMMUNICATIONS, ICEBREAKERS
Control Number: n/a
Copy: SINGLE
Sent Date: 15-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977HELSIN00322
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770053-0859
Format: TEL
From: HELSINKI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770241/aaaabkmf.tel
Line Count: 185
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 3544cec6-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 03-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3322239
Secure: OPEN
Status: NATIVE
Subject: FINNISH ICEBREAKERS
TAGS: PFOR, EWWT, FI, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/3544cec6-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009